GOVERNMENT OF INDIA
COAL
LOK SABHA

STARRED QUESTION NO:375
ANSWERED ON:11.08.2016
Environment Cess on Coal
Majhi Shri Balabhadra

Will the Minister of COAL be pleased to state:

(a) whether the Coal India Limited and its subsidiaries have assessed the impact of levying of clean environment cess on the revenue and production cost of coal, and if so, the details thereof;

(b) whether steps are being taken to reduce production cost of coal and if so, the details and the outcome thereof;

(c) the details of 'clean environment cess' collected by the Union Government on coal so far;

(d) whether the said cess is not being transferred to the respective coal bearing States and if so, the details thereof and the reasons therefor; and

(e) whether the amount so collected is spent for the generation of renewable energy in the country and if so, the details thereof and the reasons therefor?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF COAL, POWER, NEW AND RENEWABLE ENERGY AND MINES (SHRI PIYUSH GOYAL)

(a) to (e): A statement is laid on the Table of the House.

<><><>

STATEMENT REFERRED IN PARTS (a) TO (e) OF THE REPLY TO
LOK SABHA STARRED QUESTION NO.*375 FOR 11.08.2016

(a): Clean Environment Cess is collected from the customers and then deposited with the Government of India. Hence, no impact either on the revenue or on cost of production of coal by Coal India Limited (CIL) and its subsidiaries. At present the rate of Clean Environment Cess is Rs. 400/te. The Estimated amount of clean environment cess to be collected by CIL and deposited with the Government of India for the year 2016-17 based on the budgeted Estimated production of CIL is given as under:

Particulars ECL BCCL CCL NCL WCL SECL MCL NEC CIL
Estimated Production of coal for 2016-17 (In Million Te)) 46.94 37 67 82 48 149.67 167 1 598.61
Estimated clean environment cess for 2016-17(Rs. In Cr.) 1877.6 1480 2680 3280 1920 5986.8 6680 40 23944.4
(b): The following measures have been taken by CIL to bring down the production cost of coal:
1. A cost control cell has been established in Coal India Limited Headquarter (CIL HQ) and all its subsidiaries.
2. E-reverse auction for finalization of contracts for explosives implemented.
3. Adoption of mechanization in both underground and opencast mines.
4. Converting unsafe, unviable underground mines into opencast mines.
5 . Global Positioning System (GPS)/GPRS based vehicle tracking system, electronic surveillance by Closed-circuit television (CCTV), radio frequency identification (RFID) based boom barrier and reader & electronic weighbridges have been deployed at various subsidiaries for effective monitoring.
6. Higher size Heavy Earth-Moving Machinery (HEMM) has been planned to be deployed in major open cast projects for maximum extraction of coal economically.
7. Benchmarking of power and diesel consumption.

(c): As per the information received from the Department of Revenue, Ministry of Finance, Clean Environment (Energy) Cess was imposed under section 83 of Finance Act 2010 on coal, lignite and peat. The cess came into force w.e.f 01.07.2010. The information on clean environment cess under Indirect Tax collection during financial years 2010-11 to 2016-17 (upto June) are as given below:
(Amount in Rs. Crore)
Sl No. Head of account 2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17
(Upto June)
I Customs (0037) NA NA NA 135.41 451.09 1172.27 321.49
II Central Excise (0038) 1066.46 2579.55 3053.19 3081.72 5393.46 12675.60 5307.34

Source :- Pr CCA/CBEC. NA=Not available with Pr CCA, CBEC, DOR.

(d) & (e): The purpose of clean energy/environment cess was for financing and promoting clean energy initiatives, funding research in the area of clean energy, or for any other purpose relating thereto. The accruals of clean energy / environment cess are managed under National Clean Energy Fund (NCEF) under Department of Expenditure, Ministry of Finance and an Inter-Ministerial Group (IMG) constituted under the Chairmanship of Secretary (Expenditure) considers the proposals for funding under NCEF. The guidelines were amended in June 2014 to enable financing of schemes/programmes of the Ministry of New and Renewable Energy (MNRE). Accordingly, following funds were provided from NCEF to the budget of MNRE. Amount collected under NCEF is not being transferred to the respective coal bearing States.

(Rs in Crores)

Financial Years	Budget grant without NCEF	NCEF grant in Budget	Total grant in Budget
2014-15	515.18	1977.35	2492.53
2015-16 (RE)	262.07	4000.00	4262.07
2016-17 (BE)	88.79	4947.00	5035.79

<><><>